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Direct and indirect influence of financial factors through Environment, Social, Governance (ESG) disclosure on firm value for firm sustainability

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Abstract

The purpose of this study is to explore the direct and indirect effects of financial factors through Environment, Social, Governance (ESG) disclosure on firm value. The population of this research is all companies in Asian countries which are registered in the integrated reporting examples database. After going through the specified sample selection stage, 225 data were obtained. This data was obtained from secondary data for each company from 2017-2021. The analytical tool used in this study is WarpPLS. The results of this study indicate that firm size and profitability directly affect firm value, but leverage does not affect firm value. In addition, firm size and leverage also have an effect on ESG disclosure, but profitability has no effect on ESG disclosure. Primarily ESG disclosure mediates the influence of financial factors, namely firm size, profitability and leverage on firm value. The implication of this research is the importance of companies increasing firm value because it is the basis for investors' decision making in investing. To increase the firm value, companies must pay attention to both financial and non-financial factors such as ESG disclosure, because investors are getting smarter in making decisions not only based on financial factors, but also non-financial factors, especially ESG disclosure to maintain the company's sustainability. This study can also be used as a basis for formulating policies for regulators in Asian countries to improve corporate sustainability practices. arThe originality of this study is placing ESG disclosure as a mediating variable between the effect of a company's financial performance on firm value.

Keywords: *ESG Disclosure, Firm Value, Firm Size, Profitability, Leverage.*

Introduction

One of the main tasks of the management of an organization is to increase firm value. An increase in firm value will have many positive impacts on interested parties. The company's stock price is a reflection of firm value (Fama, 1978). Thus, a high company stock price is an important indicator of high firm value. Firm value greatly affects investment opportunities.

Investment opportunities give a good indication of the company's potential future growth. Meanwhile, one of the signals conveyed by the company is in the form of a financial performance report. However, since 2008/2009, when the financial crisis occurred, the demand for non-financial reports has increased (Velte & Stawinoga, 2017). Similar to how investors have been concerned in recent years about financial reporting. They anticipate more confusing, irrelevant, and poorly arranged financial reporting (IIRC, 2013). This was proven by the revelations of the Enron, WorldCom, and other scandals. This incident can make potential investors less interested in making an investment.

These events must be corrected, in order to distinguish themselves from subpar organizations, businesses should give more reliable information about their quality in the capital market. (Spence, 1973). There are several factors that influence firm value. These factors can affect directly and indirectly on firm value. One of the factors that directly influences firm value is financial performance (Sapiri et al., 2022). A description of a company's financial performance over a specific time period. In this study, financial performance was measured using business size, profitability, and leverage.

A corporation's size is indicated by its firm size; the larger a company is, the more resources, assets, or sales it owns. The wider and better the company is managed, the higher the firm value will be as a result of the larger firm size. This explanation is in accordance with the study of Sapiri et al. (2022), Atiningsih & Izzaty

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(2021), Nursetya & Nur Hidayati (2021), Sudrajat & Setiyawati (2021), Natsir & Yusbardini (2019), and Farooq & Masood (2016) which state that firm size has a significant positive effect on firm value. However, Wijayaningsih & Yulianto (2021), Leman et al. (2020), and Hirdinis (2019), state that firm size has a negative effect on firm value. Meanwhile, Nurmalitasari & Durya (2022), Wahyudi & Sholahuddin (2022), Oktaviani (2020), and Setiadharma & Machali (2017) state that firm size has no effect on firm value.

Firm size does not only have an impact on firm value, but firm size can also have an impact on non-financial factors such as ESG disclosure. This is in accordance with Balatbat et al. (2012) who stated that ESG disclosure is increasingly important in the minds of stakeholders in the investment decision-making process. Companies that implement ESG disclosure mean that the company has paid attention to environmental, social and corporate governance aspects in conducting business in a responsible manner so as to create a sustainable business. Therefore, the larger the firm size, the higher the company's ESG disclosure awareness. This explanation is in accordance with Bissoondoyal-Bheenick et al. (2023), Zhang & Sharon (2023), Kaya & Akbulut (2019), and Drempetic et al. (2019) which states that firm size has a significant positive effect on ESG disclosure. However, this is different from Ariyani & Hartomo (2018) and Kiende Gatimbu & Masinde Wabwire (2016) which state otherwise that ESG disclosure is not affected by firm size.

The next financial performance is Return on equity (ROE), which serves as a proxy for profitability. ROE is an indicator of company performance by comparing net income and total capital. This means that the higher the ROE achieved by the company, the firm value will also be higher, because investors consider that the profits earned by the company are high and the rate of return on capital is faster so that this can entice investors to invest, and ultimately have an impact on increasing firm value. This explanation is in accordance with Sapiri et al. (2022), Nurmalitasari & Durya (2022), Damayanti & Sucipto (2022), Wijayaningsih & Yulianto (2021), Atiningsih & Izzaty (2021), Nursetya & Nur Hidayati (2021), Jihadi et al. (2021), Setyabudi (2021), Saputri & Bahri (2021), and Natsir & Yusbardini (2019) which state that firm value is positively and significantly affected by profitability. However, it is different from Wahyudi & Sholahuddin (2022), Sudrajat & Setiyawati (2021) and Hirdinis (2019) which state that there is no influence between profitability and firm value.

ROE also does not only have an impact on firm value. However, ROE can also have an impact on ESG disclosure. This shows that the higher the ROE achieved by the company, the higher the company's level of concern and awareness of the environment, social and governance which is reflected in the disclosures in the ESG report. This explanation agrees with Aydoğmuş et al. (2022) which states that profitability has a significant positive effect on ESG disclosure. Meanwhile, Yustin & Suhendah (2023) stated that profitability has a significant negative effect on ESG disclosure. However, not in line with Ramadhani et al. (2023) which states that ESG disclosure is not affected by profitability.

Besides ROE, the performance used in this study is leverage. Leverage is the company's ability to meet its long-term obligations. This means that the more a company is able to complete its long-term obligations, the firm value will increase, because investors believe that when a company is able to fulfill its long-term obligations, the sustainability of the company will be achieved. This explanation is in accordance with Wahyudi & Sholahuddin (2022), Damayanti & Sucipto (2022), Alamgir & Cheng (2021), Jihadi et al. (2021), Setyabudi (2021), and Farooq & Masood (2016) which state that leverage has a significant positive effect on firm value. However, the studies of Nurmalitasari & Durya (2022) and Saputri & Bahri (2021) state a different matter, namely firm value is not affected by leverage.

Leverage can also have an impact on ESG disclosure. High levels of leverage increase the likelihood that businesses may breach credit agreements, so companies can disclose ESG to attract and obtain credit loans from stakeholders. ESG can be used to carry out business activities that are more concerned with the environment, social issues, and corporate governance for the aim of corporate sustainability (Ariyani & Hartomo, 2018). This explanation is in line with the studies of Fahad & Nidheesh (2021), Yu & Liang (2020), Nguyen & Nguyen (2020), and Ariyani & Hartomo (2018). However, studies conducted by Abdulsalam & Babangida (2020) and Kaya & Akbulut (2019) state that leverage with sustainability reporting

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disclosures has a significant negative impact. Likewise with Kiende Gatimbu & Masinde Wabwire (2016) which states that environmental disclosure is not affected by leverage.

According to the study of Clément et al. (2022) explained that the ESG score is the main proxy for evaluating sustainability in organizations. This is in accordance with the study of Siew et al. (2013), investigate empirically how non-financial reporting affects the financial performance of construction enterprises that worry institutional investors. Likewise, Rajesh & Rajendran (2019) observed significant and negative moderating effects of ESG performance, independently of all direct relationships, by considering the relationship with ESG performance. The popularity of the ESG score stems from the anticipation that a responsible business will become a business that will prosper in the future, because a responsible investment strategy has had a better return on investment in previous years (Kempf & Osthoff, 2007). This is in accordance with Ma'in et al. (2022), Wong et al. (2021), Alareeni & Hamdan (2020), Melinda & Wardhani (2020), De Lucia et al. (2020), and Atan et al. (2018), which states that there is a positive effect of ESG disclosure on firm value. However, Wasiuzzaman et al. (2022) states that there is a significant negative effect between ESG disclosure and firm value.

Meanwhile, there is a growing body of literature showing that sustainable development is not a factor in how ESG scores define sustainability. That is consistent with Cerciello et al. (2022) who state that increasing commitment to ESG practices further worsens overall company performance. Likewise with Aby (2020) who states that there is no correlation between ESG scores and firm values. Because it is not intended to measure sustainability concepts like temporality, effect, resource management, and interconnectedness, the ESG score mostly fails to measure sustainability adequately. Additionally, the idea of materiality is used by ESG ratings, however the things they assess are not necessarily measurable and the majority of institutions do produce scores (Clément et al., 2022).

Study of Eccles et al. (2012) show other academics contend that reporting standards should be developed on a sector-by-sector basis, as is illustrated by various situations, and say that the main obstacle for investors and enterprises to use ESG performance information is the lack of standards. They also highlight other difficulties, such as knowing precisely which ESG factors would help businesses create the most value for their stakeholders and shareholders.

Therefore, this study explores the influence between these variables. The originality of this study is placing ESG disclosure as a mediating variable between the effect of a company's financial performance on firm value. The hope of this study is to show the importance of ESG disclosure for long-term corporate sustainability, in addition to providing benefits for the environment, social and all stakeholders. The purpose of this study is to explore either directly or indirectly the influence of financial factors through ESG disclosure on firm value.

Literature Review and Hypotheses Development

Signaling Theory

Using the signaling theory, management of a firm can inform investors about how it sees the future of the business (Bringham & Houston, 2020). Information about the business is crucial for business owners since it can be used to predict their behavior and help investors decide whether or not to invest in the company. Financial reports are one type of information that can serve as a signal for parties outside the company, particularly for investors. Information about the business is crucial for business owners since it can be used to predict their behavior and help investors decide whether or not to invest in the company. Financial reports are one type of information that can serve as a signal for parties outside the company, particularly for investors. Investor behavior will be determined by profit information. Investors will raise their investment funds if the company is making significant profits since they will benefit from the company's success and vice versa. Currently, investors are very smart because in making investment decisions they are not only based on financial report information, but investors also look at non-financial reports such as ESG disclosure. ESG disclosure shows the company's awareness and concern for the environment, social and governance, so that this will have an impact on the company's sustainability in the long term.

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Hypotheses Developments

Firm size can show the size of a company, which is measured by looking at the number of assets, number of sales and market capital. If the number of company assets is large, the company has more freedom in utilizing its assets, so that company control will be easier. The larger the firm size, the more interested investors will be in investing because the size of the firm is a signal that the company sends to stakeholders, this will have an impact on firm value. This argument is in accordance with Sapiri et al. (2022), Atiningsih & Izzaty (2021), Nursetya & Nur Hidayati (2021), Sudrajat & Setiyawati (2021), Natsir & Yusbardini (2019), and Farooq & Masood (2016) which states that firm size has a significant positive effect on firm value. This means that the larger the firm size, the greater the firm value.

Firm size not only influences firm value, but firm size can also influence ESG disclosure. This is in accordance with (Mashayekhi et al., 2019) which states that the main determinant of ESG disclosure is firm size. ESG disclosure is a non-financial report that consists of three elements, namely environmental, social and governance. Larger firms tend to signal to many stakeholders who control the resources they need for business operations since they have more stakeholders in their organization (Abdulsalam & Babangida, 2020). This argument is in accordance with Bissoondoyal-Bheenick et al. (2023), Zhang & Sharon (2023), Abdulsalam & Babangida (2020), Kaya & Akbulut (2019), and Drempetic et al. (2019) which states that firm size has a significant positive effect on ESG disclosure, meaning that the larger the firm size, the more complete and extensive the ESG disclosure.

H_1: Firm size has a positive and significant effect on firm value.

H_2: Firm size has a positive and significant effect on ESG disclosure.

The capacity of a business to generate net profits in relation to sales, total assets, and own capital is referred to as profitability (Tala & Karamoy, 2017). If the profitability generated by the company is high, it means that the company has succeeded in obtaining good profits and has an impact on the company, thereby attracting investors to invest in the company. This implies that the value of a company increases as profitability increases. Conversely, the value of the company decreases as profitability increases. This is consistent with the signaling hypothesis, which holds that a business with rising revenues will signal that it has promising future possibilities. This argument is in accordance with the study conducted by Sapiri et al. (2022), Nurmalitasari & Durya (2022), Damayanti & Sucipto (2022), Wijayaningsih & Yulianto (2021), Atiningsih & Izzaty (2021), Nursetya & Nur Hidayati (2021), Jihadi et al. (2021), Setyabudi (2021), Saputri & Bahri (2021), and Natsir & Yusbardini (2019), who state that profitability has a positive effect on firm value.

Apart from that, profitability can also have an influence on ESG disclosure. Profitability is characterized as the outcomes of management efforts on capital invested by business owners. (Anshori et al., 2020). The higher the company's profitability, the more widely the company will implement and disclose ESG voluntarily. ESG disclosure is used as a signal for the company to its stakeholders. If the company discloses ESG, due to the company's success, both investors and the general public will see the company's positive aspects is aware and cares about the environment, social and governance so that the company will get higher profitability (Ariyani & Hartomo, 2018). This argument is in accordance with Aydoğmuş et al. (2022), which states that ESG disclosure is influenced by profitability in a significantly positive way.

H_3: Profitability has a positive and significant effect on firm value.

H_4: Profitability has a positive and significant effect on ESG disclosure.

A firm policy is to manage debt regarding the extent to which it uses debt as a source of funding with the aim of increasing investment and other business activities. The capacity of the business to meet its long-term obligations is known as leverage. When a company is able to fulfill its long-term obligations, the fact that the company has the resources to meet its long-term obligations will give investors the impression that the company's financial situation is strong. The view or opinion of the investor will boost demand for the company's shares and affect the rise in firm value. This argument is in accordance with Wahyudi & Sholahuddin (2022), Damayanti & Sucipto (2022), Alamgir & Cheng (2021), Jihadi et al. (2021), Setyabudi (2021), and Farooq & Masood (2016) which state that firm value is significantly positively influenced by leverage. This means that the higher the leverage, the higher the firm value.

Companies with high financial leverage will typically disclose more information to creditors, suppliers, and investors in countries where third parties or creditors are the primary source of a company's capital in order to send signals and increase the confidence of creditors that the company can meet its financial obligations. Companies employ leverage to finance their operations. High levels of leverage increase the likelihood that businesses may breach credit agreements, so companies can convey ESG disclosures to attract and obtain credit loans from stakeholders. ESG disclosure can meet the needs of shareholders or investors and stakeholders in carrying out company operations that are more concerned about the environment, social and governance for the sake of company sustainability (Ariyani & Hartomo, 2018). This argument is in accordance with the study of Fahad & Nidheesh (2021), Yu & Liang (2020), Nguyen & Nguyen (2020), and Ariyani & Hartomo (2018) which states that leverage has a positive and significant influence on ESG disclosure. This means that the higher the company's leverage, the higher the ESG disclosure.

H_5: Leverage has a positive and significant effect on firm value.

H_6: Leverage has a positive and significant effect on ESG disclosure.

Firm value is not only influenced by financial factors, but firm value can be influenced by non-financial factors, such as ESG disclosure. ESG disclosure is a disclosure made by a company that presents reports on the environment, social and governance with the aim of providing a signal to stakeholders about the company's responsibilities, not only on the financial side. The disclosure made by the company is used as a company signal to improve the company's reputation, which is expected to get a reaction from investors which will ultimately influence investment decision making and have an impact on increasing the company's share price. This means that the wider the company's ESG disclosure, the more the share price will increase. This argument is in accordance with Ma'in et al. (2022), Wong et al. (2021), Alareeni & Hamdan (2020), Melinda & Wardhani (2020), De Lucia et al. (2020), and Atan et al. (2018), which states that there is a positive influence of ESG disclosure on firm value.

H_7: ESG disclosure mediates the influence of firm size, profitability and leverage on firm value.

Research Methodology

The research method used is descriptive and verification methods. Descriptive is a method that aims to record, process, present and interpolate data to provide a real and clear picture of the company, followed by hypothesis testing. This study requires data from second parties obtained in the financial reports of companies in Asia registered in the integrated reporting database (https://examples.integratedreporting.org/ir-reporters/?app_region=24) and data obtained from Bloomberg, according to the period The research determined is 2017-2021. WarpPLS is used as a tool to analyze data. The table that follows displays the measurements of the variables used.

Table 1. Variable Measurement

Variable	Measurement	Source
Firm size	Log of total assets owned by the company in that period.	Bloomberg
ROE	The ratio of profit after tax compared to total equity in that period.	Bloomberg

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Leverage	The ratio of total debt compared to total equity in that period.	Bloomberg
ESG disclosure	Each and every piece of information that Bloomberg utilized to determine the environmental, social, and governance subscores and the overall ESG disclosure score. Scores for the ESG sustainability disclosure component range from 0.1 for businesses that reveal the bare minimum of ESG information to 100 for those that source information on the composition and duties of the board, executive salary, board committee activity, and corporate political involvement. (Ioannou & Serafeim, 2017).	Bloomberg
Firm value	Tobin's Q	Bloomberg

Results and Discussion

Based on the predetermined sample criteria, 225 observation data were obtained. This data was obtained after going through a sample elimination process based on established criteria. WarpPLS analysis version 7.0 was used for data processing. The results of data analysis are shown in table 2.

Table 2 Model Fit and Quality Indices

Num.	Model fit and quality indices	Fit Criteria	Analysis Results	Description
1	Average path coefficient (APC)	$p < 0.05$	0.210 (P<0.001)	acceptable
2	Average R-squared (ARS)	$p < 0.05$	0.265 (P<0.001)	acceptable
3	Average adjusted R-squared (AARS)	$p < 0.05$	0.254 (P<0.001)	acceptable
4	Average block VIF (AVIF)	acceptable if <= 5, ideally <= 3.3	1.105	ideally
5	Average full collinearity VIF (AFVIF)	acceptable if <= 5, ideally <= 3.3	1.266	ideally
6	Tenenhaus GoF (GoF)	small >= 0.1, medium >= 0.25, large >= 0.36	0.515	large
7	R-squared contribution ratio (RSCR)	acceptable if >= 0.9, ideally = 1	0.965	acceptable
8	Statistical suppression ratio (SSR)	acceptable if >= 0.7	1.000	acceptable
9	Nonlinear bivariate causality direction ratio (NLBCDR)	acceptable if >= 0.7	0.786	acceptable

Figure 1 below shows research findings based on the outcomes of data processing:

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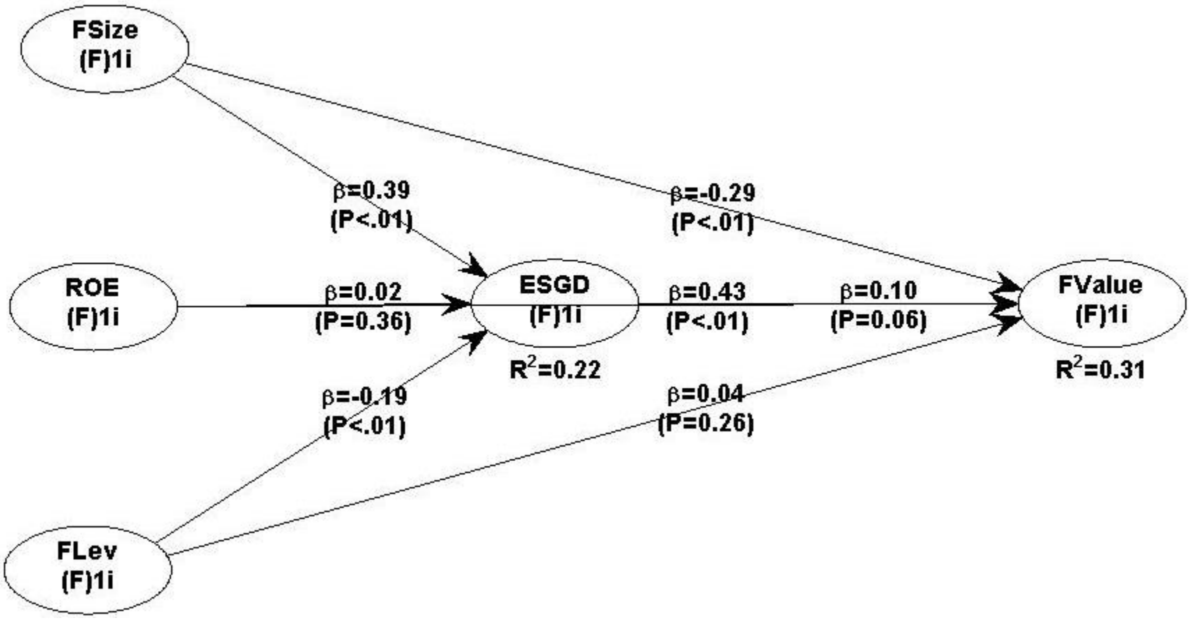

Figure 1 Research Result

Figure 1 shows that the influence of firm size on firm value has a p value of $p<0.01$ with $\beta=-0.29$, meaning that firm size has a significant effect on firm value. So the larger the firm size, the firm value will increase, and vice versa, the smaller the firm size, the firm value will decrease. This is in accordance with signaling theory which shows that firm size is a signal given by a company to its stakeholders so that it will be used as a consideration for them in making investment decisions. This study is the same as Wijayaningsih & Yulianto (2021), Leman et al. (2020), and Hirdinis (2019), state that firm size has a negative effect on firm value. However, this study is different from Nurmalitasari & Durya (2022), Wahyudi & Sholahuddin (2022), Oktaviani (2020), and Setiadharma & Machali (2017) who stated that firm size has no effect on firm value.

Apart from that, firm size is also used as a determining factor for ESG disclosure (Mashayekhi et al., 2019). This can be proven by looking at figure 1 which shows that the influence of firm size on ESG disclosure has a p value of $p<0.01$ with $\beta=0.39$, meaning that firm size has a significant positive effect on ESG disclosure. This explanation is in accordance with Abdulsalam & Babangida (2020) who state that companies that have a large size will face more stakeholders, so companies tend to provide the signals they need as a means of controlling resources for company operations. One of these signals is through ESG disclosure, because ESG disclosure can be used as a tool to improve a company's reputation in front of stakeholders, and ESG disclosure can later be used as a consideration for investment decision making. The study is in accordance with Bissoondoyal-Bheenick et al. (2023), Zhang & Sharon (2023), Abdulsalam & Babangida (2020), Kaya & Akbulut (2019), and Drempetic et al. (2019) which states that firm size has a significant positive effect on ESG disclosure, meaning that the larger the firm size, the more complete and extensive the ESG disclosure. However, this study is different from Ariyani & Hartomo (2018) and Kiende Gatimbu & Masinde Wabwire (2016) which stated the opposite that ESG disclosure is not influenced by firm size.

The effect of ROE on firm value, the results of which are shown in figure 1, shows that the p value is $p<0.01$ with $\beta=0.43$. This means that ROE has a positive and significant effect on firm value, so that the higher the company's ROE, the firm value will increase, and vice versa, the lower the company's ROE, the firm value will decrease. ROE reflects how fast the company's rate of return on equity is, this can be used as a signal by the company to its stakeholders. ROE can also be used as a consideration in stakeholder decision making when making investments. This study is the same as Sapiri et al. (2022), Nurmalitasari & Durya (2022), Damayanti & Sucipto (2022), Wijayaningsih & Yulianto (2021), Atiningsih & Izzaty (2021), Nursetya & Nur Hidayati (2021), Jihadi et al. (2021), Setyabudi (2021), Saputri & Bahri (2021), and Natsir & Yusbardini (2019), who state that profitability has a positive effect on firm value. However, this is

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different from Wahyudi & Sholahuddin (2022), Sudrajat & Setiyawati (2021) and Hirdinis (2019) who state that there is no influence between profitability and firm value.

However, this study cannot prove that profitability has an influence on ESG disclosure. This can be seen from figure 1 which shows a p value of $p=0.36$ with $\beta=0.02$, meaning that ROE cannot have an influence on ESG disclosure. This is thought to be due to differences in operational activities which are dominated by companies that do not really care or find it difficult to protect the environment and society, apart from that because most companies have a policy of using part of the profits in implementing CSR activities so as not to interfere with the funding of the company's operational activities. This study is the same as Ramadhani et al. (2023) which states that ESG disclosure is not influenced by profitability. However, this study does not agree with Aydoğmuş et al. (2022), which states that ESG disclosure is influenced by profitability in a significantly positive way.

The p value of the influence of leverage on firm value shown in figure 1 is $p=0.26$ with $\beta=0.04$ meaning that leverage cannot have an influence on firm value. This is thought to be because investors do not see the level of debt the company has because investors are more concerned with how the company uses the company's funds effectively to generate company profits. This study is the same as Nurmalitasari & Durya (2022) and Saputri & Bahri (2021) which states that leverage has no influence on firm value. However, this study is different from Wahyudi & Sholahuddin (2022), Damayanti & Sucipto (2022), Alamgir & Cheng (2021), Jihadi et al. (2021), Setyabudi (2021), and Farooq & Masood (2016) which state that firm value is significantly positively influenced by leverage.

High levels of leverage increase the likelihood that businesses may breach credit agreements, so companies can convey ESG disclosures to attract and obtain credit loans from stakeholders. This explanation is in accordance with figure 1 which shows a p value of $p<0.01$ with $\beta=-0.19$. This means that leverage has a significant effect on ESG disclosure, so that the higher the leverage, the ESG disclosure will increase, and vice versa, the lower the leverage, the ESG disclosure will decrease. ESG disclosure can meet the needs of shareholders or investors and stakeholders in carrying out company operations that are more concerned about the environment, social and governance for the sake of company sustainability (Ariyani & Hartomo, 2018). This study is in accordance with Abdulsalam & Babangida (2020) and Kaya & Akbulut (2019) stating that leverage with sustainability reporting disclosures has a significant negative impact. However, this is different from Kiende Gatimbu & Masinde Wabwire (2016) who state that environmental disclosure is not influenced by leverage.

For the effect of ESG disclosure on firm value shown in figure 1, the p value is $p = 0.06$ with $\beta = 0.10$. This means that ESG disclosure has a positive influence on firm value, the more a company increases ESG disclosure, the more firm value will increase, conversely, the more a company reduces ESG disclosure, the more firm value will decrease. This is in accordance with signaling theory, which states that disclosures made by the company are used as a company signal to improve the company's reputation, which is expected to get a reaction from investors which will ultimately influence investment decision making and have an impact on increasing firm value. This study is in accordance with Ma'in et al. (2022), Wong et al. (2021), Alareeni & Hamdan (2020), Melinda & Wardhani (2020), De Lucia et al. (2020), and Atan et al. (2018), which states that there is a positive influence of ESG disclosure on firm value. However, in contrast to Wasiuzzaman et al. (2022) stated that there is a significant negative influence between ESG disclosure on firm value.

Conclusion

This research concludes the importance of financial and non-financial factors in increasing company value. Financial factors such as financial performance and non-financial factors such as ESG disclosure will be taken into consideration by stakeholders when investing in a company.

The limitation of this research is the low R square value, namely 31%. So the suggestion for further research is to modify the research model by using variables that have more influence in order to obtain better results and provide benefits for decision makers. The practical implication of this research for companies is the

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importance of companies paying attention to financial and non-financial factors, because they are used as the basis for making investment decisions. Meanwhile, for regulators, this research can contribute ideas in formulating policies to improve corporate sustainability practices in Asia.

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